

Loop 202 costs double as revenue drops

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Construction costs for the South Mountain Loop 202 Freeway have more than doubled since voters approved funding in 2004, according to figures released by the Arizona Department of Transportation last week.

At the same time, projected revenues from voter-approved Proposition 400, designed to fund projects until 2024, are expected to be down by \$1 billion.

The combination could mean dramatic changes, not just for the South Mountain Loop 202, but for light rail expansion, new and improved freeways and improved public transit that were all included in Prop. 400 and the Regional Transportation Plan.

A detailed analysis of revenues from Prop. 400 - a 20-year, half-cent sales tax dedicated to transportation, from freeway expansion to light rail and mass transit improvements - isn't expected until later in the month. But early figures show that sales tax income will shrink by more than \$1 billion over the life of the tax, from \$15.7 billion to \$14.5 billion. In the past two months alone, sales tax revenues from Prop. 400 are 10 percent below what was expected, mirroring the economic meltdown that is hitting Arizona consumers.

"It is significant, no doubt about it. And there is no way to sugar coat it," said Eric Anderson, the Maricopa Association of Governments transportation director, who oversees planning for the Valley's transportation systems.

Increasing costs aren't affecting just the Loop 202. In a draft report prepared by MAG engineers the Loop 303, planned for the West Valley is underfunded by \$1 billion and State Route 801, an alternative to Interstate 10 also on the west side, is \$1.1 billion short.

That leaves MAG with few options.

"We are going to have to make some adjustments in the program," Anderson said.

And because of safeguards built into Prop. 400 - so freeway money from one category couldn't be used in another category - everything in the 20-year Regional Transportation Plan will probably feel the economic pinch.

In the case of the South Mountain Loop 202, it was originally budgeted at \$1.1 billion in 2003 and is now estimated to cost \$2.4 billion, a 40 percent increase in two years and a 120 percent increase in roughly five years.

Contributing to the increased cost was a 164 percent increase in the price of asphalt over the past five years, steel prices jumping 94 percent and diesel climbing an incredible 820 percent over the past 10 years.

Michael Brueder, the freeway's project manager with ADOT, said that when budgets like the Loop 202 get out of balance he has four options: to ask for more money, reduce the scope of a project, look for new funding sources, or "The ultimate case is to drop the project and not build it at all," he told the South Mountain Citizens Advisory Team on Sept. 25.

But despite being short of money, there are no immediate plans to drop the South Mountain Loop 202. Efforts to update the original 1985 plan, to take into account the rapid growth in the area, have been going on since 2002, with a draft environmental impact statement hung up in the approval process because the freeway requires massive cuts into South Mountain, which the Gila River Indian Community and others consider sacred.

The ultimate decision to put on hold or cancel a project will come from the Valley's elected leaders who make up the governing board of MAG.

Laurel Arndt, a member of the Citizens Advisory Team and the Ahwatukee Foothills Village Planning Committee, said last week that now might be a good time to start getting Phoenix on record as opposing the freeway.

In the past, Councilman Greg Stanton has gone on the record opposing the freeway, once saying they would build it on Pecos Road over his dead body. And Mayor Phil Gordon has said that he supports the community. But the City Council as a whole has been silent on the project.

"The city, technically, isn't on the record for or against how the Loop 202 would impact the general plan," Arndt said at a Village Planning Committee meeting on Sept. 22. "We know where they stand, but we don't have a City Council resolution."

Meanwhile, the freeway's citizen advisory board will meet later this month to discuss air quality impact the highway could create.